

# Benefits tangles

Problems of the benefits system for older homeless people and those at risk of homelessness

A briefing paper for Help the Aged and the UK Coalition on Older Homelessness by Jenny Pannell

## Introduction

This briefing paper has been commissioned by Help the Aged and the UK Coalition on Older Homelessness. It draws mainly on two research projects by the University of the West of England (UWE): on older homeless people, for Help the Aged, hact (the Housing Associations Charitable Trust) and Crisis; and on older people in the private rented sector for Help the Aged (with the University of Bristol).

Reports from both projects are due to be published in late 2002 (Pannell et al 2002, Carlton et al 2002). The paper also links with another briefing paper by the same author for Help the Aged and HOPDEV (Housing and Older People Development Group) on housing advice for older people.

The briefing paper includes the following:

1. Policy background: summary and discussion.
  - Benefits changes, including the creation of the Department for Work and Pensions (DWP), Jobcentre Plus and the Pension Service.
  - Proposals to improve Housing Benefit administration, including recent research and initiatives.
  - Other relevant over-arching initiatives including the Homelessness Act 2002, Better Government for Older People and Care Direct.
2. Benefits issues for older people who are homeless or at risk of homelessness.
  - Stories of problems experienced by older homeless people.
  - Specific issues, including overpayments and privatised Housing Benefit administration.
3. Benefits issues for older private tenants.
  - Stories of problems experienced by older private tenants.
  - Specific issues, including 'reference rents' and under-occupation.
4. Recommendations for changes to administration of the benefits system.
5. The author.
6. References.

## 1 Policy background

There are a number of recent and current policy and practice initiatives concerning older people, homelessness, housing options and benefits, which make this a good time to advocate for changes and improvements to the benefits system.

However, it is necessary to sound a warning note before examining briefly the current raft of initiatives and proposals. It cannot be assumed that just because a lot is happening, it is all positive.

In fact, the extent of change is in itself problematic, in that agency staff (especially front-line staff in contact with older people) find it difficult to keep up and older people and their informal support networks are left bewildered by the pace of change. The plethora of name changes and acronyms is also confusing to both the general public and to professionals outside their own 'comfort zone'.

At present there is also more emphasis on strategies than on implementation. Whilst the focus on joint working is welcome and there are some interesting local initiatives, like the Better Government for Older People (BGOP) partnerships described below, it remains to be seen how far the strategies will be translated into practice on the ground.

Space precludes more than a brief mention of the most relevant initiatives and it is presumed that readers are familiar with these.

### 1.1 Benefits changes

#### 1.1.1 The creation of the DWP, Jobcentre Plus and the Pension Service

Major changes to social security benefits administration are now following on from the creation of the DWP which replaced the Department of Social Security in June 2001. As from 1 April 2002, the DWP has created two new businesses: the Pension Service (for people of pension age) and Jobcentre Plus (for people of working age). From that date, the Benefits Service and the Employment Service ceased to exist.

For people under pension age, both benefits administration and help with seeking employment are being combined in the new Jobcentre Plus offices: these are gradually being introduced across the country, following a number of local pilots. For older people, the Pension Service will:

*'... deliver services to pensioners through a network of 26 pension centres. These will deal primarily with customers over the phone... A local service, delivered in the community, will provide face-to-face contact for those pensioners who need it. The local service will also work in partnership with local authorities and voluntary organisations to ensure the delivery of a joined-up service... The Pension Service will be rolled out over England, Scotland and Wales over the next few years.'* (DWP 2002:1)

During the change over to Jobcentre Plus and the Pension Service, claims will continue to be dealt with by local social security offices for people of all ages (and by the Newcastle office for Retirement Pension). Disability benefits, including Attendance Allowance and Disability Living Allowance, will continue to be administered centrally (from regional centres and Blackpool) as at present.

In theory, the new arrangements could provide certain advantages to older people over pension age who are homeless or at risk of homelessness. Steps are already being taken – and there are more in the pipeline – to improve links between different benefits: this applies not only to social security benefits but also to Housing Benefit. Examples include sending a mail shot inviting a claim for the Minimum Income Guarantee for pensioners, using different life events as ‘triggers’. Since April 2002, this is being done for people already claiming certain benefits (eg Incapacity Benefit, Disability Living Allowance, Housing Benefit) when they reach 60 and for people over 60 receiving new awards of certain benefits (eg Attendance Allowance, Housing Benefit). Older people can claim Minimum Income Guarantee by calling a freephone line where a claim line operator will complete the form, taking on average only 15 minutes (DWP 2002:7).

Under the Better Government for Older People initiative (BGOP 2000), there are a number of pilots around the country. Some of the pilots, in partnership with the DWP (through the former Benefits Agency), aim to facilitate benefits take-up and improve benefits delivery for older people by improving liaison both within statutory services and between voluntary and statutory agencies. These particular pilots include one-stop services with local Age Concern organisations and/or local authorities and improving liaison between agencies at the time of bereavement (information from BGOP website). The DWP’s statement (p.2) that the new Pension Service aims to achieve ‘partnership with local authorities and voluntary organisations’ and expression of hope for ‘a joined-up service’ are another step in the right direction.

However, the emphasis on telephone contact for the new Pension Service also has its disadvantages. It means that more vulnerable older people (eg those who are homeless, at risk of homelessness, from minority ethnic groups, with poor English or isolated in private tenancies) may lose out if the service to be provided in the local community does not actively seek them out. Voluntary organisations already working with these groups need to be aware of the current changes and make sure that vulnerable older people’s needs are taken into account in the development of the new service.

The other dangers concern the clear split of services between those for people over pension age and those for people of working age (ie up to 60/65). Older homeless people in their 50s/early 60s may lose out because the new initiatives and partnerships described above will only benefit people over pension age. Secondly, the emphasis of the new Jobcentre Plus on getting people into work could cause difficulties for older people under pension age with disabilities or in poor health. This is likely to be a particular problem for those with certain conditions (eg mental health problems, learning difficulties, substance abuse issues). Fieldwork for the UWE study on older homelessness has already revealed problems for older homeless people in their 50s who were removed from Incapacity Benefit and put back on to Job Seekers Allowance. This was sometimes because of a medical examination and sometimes linked to the application of the ‘all work’ test (which allows the withholding of benefit if you can carry out any work, not just your normal occupation).

Advisers reported cases of Housing Benefit problems and increased risk of homelessness when people were moved off Incapacity Benefit on to Job Seekers Allowance: this move created delays and breaks in claim for Housing Benefit. This was because of the lack of liaison between benefits officers and because of older people not understanding that they needed to actively manage their claim because they assumed that their details would be passed between offices.

### 1.1.2 Proposals to improve Housing Benefit/Council Tax Benefit administration

There have been a number of reports expressing concern about Housing Benefit over recent years. The Housing Policy Green Paper (DETR 2000) acknowledged that the Housing Benefit system has serious deficiencies and in April 2002 the government introduced Housing Benefit/Council Tax Benefit performance standards for local authorities in England. These cover seven functional areas, including customer services (ie an efficient and prompt service to tenants and landlords) and the need for speedy and accurate claims processing. The Audit Commission points out that this is the first time that performance standards have been set for benefit administration and that they 'now make clear the importance of obtaining information as quickly and efficiently as possible ... [which] increases the ability to get it right from the start' (Coxon 2002).

The Joseph Rowntree Foundation has commissioned a number of critical reports on Housing Benefit, the latest concerning the private rented sector (Kemp, Wilcox and Rhodes 2002). The Foundation describes the system as 'poorly structured in relation to the Government's social security and housing policy objectives ... highly complex, poorly administered and

confusing to claimants. In 2000/01, over a third of applications were not processed on time' (JRF 2002)

The Audit Commission has issued two recent reports (October 2001, June 2002). The first focuses on local authority performance and accuses too many councils of treating Housing Benefit/Council Tax Benefit administration as a 'Cinderella service'. The second addresses the role of central government and other agencies. The Commission criticises the anti-fraud verification system as being 'over-complex' and points out that although there are problems with local authorities, much of the problem lies with central government, which should reduce the 'frequency and number of changes to the Housing Benefit scheme' (Audit Commission 2001, 2002). The Commission notes with concern that performance has worsened over the past five years. One-third of all new claims are not paid within the statutory 14 days and even the best-performing local authorities take an average of 36 days to process a new claim. Calling for more effective joint working, the Commission acknowledges that claimants assume (wrongly) that their details are passed between Housing Benefit administration and other parts of the benefits system, such as Income Support and the Pension Service. There is also scope for closer working arrangements with voluntary agencies and housing providers (Clackett 2002).

Voluntary agencies have criticised the Housing Benefit system and its effect on older people: see, for example Age Concern London's report *Older People and Housing Benefit Administration in London* (2001). There have also been a large number of ombudsman cases: see Local Government Ombudsman Annual Report 2000/01 and frequent reports in *Inside Housing* (2001–2) concerning benefit maladministration.

It is hoped that with all the recent reports and concern expressed about Housing Benefit administration, steps will now be taken to remedy the problems, not only by local authorities but by central government as well: it is central government which funds the Housing Benefit system. This point is acknowledged in the recent Audit Commission report (2002) which comments on the disadvantages of the incentives and penalties within the present system. The Commission demands further consideration of the funding regime under which the DWP and Office of the Deputy Prime Minister (ODPM) (and the Welsh Assembly Government) fund local authorities, directly and indirectly, for administrative costs and money paid out to claimants. Discussing the report, a senior manager from the Commission is blunt:

'The [Housing Benefit funding] regime is complex and lacks transparency... [and] sends out the wrong signal to councils – encouraging a cautious approach rather than providing real incentives to promote further take-up of benefit by those in need. A radical redesign is required: one that fully reimburses local authorities for payments to claimants on behalf of central government, rewards good performance and customer care and includes an effective response to major inefficiency or poor service quality... Reducing complexity is no easy matter, since many suggestions fail to balance the conflicting priorities of speed of payment, the cost of the scheme (£10 billion in 1999/2000) and guarding against fraud... Ultimately the trade-off between costs to the public purse and easier access for the claimant is a political one.' (Clackett 2002)

## 1.2 Other over-arching initiatives

These include:

### 1.2.1 The Homelessness Act 2002

Of particular relevance is the development of homelessness strategies, which require multi-agency working; the guidance *Homelessness strategies: a good practice handbook* (DTLR 2002) refers to benefits issues in connection with advice and the prevention of homelessness; the role of homeless day centres; tenancy sustainment; and the private rented sector.

### 1.2.2 Better Government for Older People (BGOP)

This initiative commits government to listening to older people's views as a means of improving public services. The BGOP/Benefits Agency and BGOP/ICL pilots include benefits administration and IT initiatives.

### 1.2.3 Care Direct

Care Direct aims to provide a new single information gateway for older and disabled people. There are currently six pilots in the south west of England, five run by local authorities and one by a voluntary agency, Help and Care, under contract from Bournemouth Social Services. The pilots provide a telephone helpline, local walk-in helpdesks and outreach home visit facilities. The aim is to provide access to information and advice on housing, care and support services and social security benefits.

Whilst the Care Direct initiative appears to offer a robust first point of access, concern has been expressed by some voluntary advice agencies that it is too heavily focused on benefits (rather than being holistic) and is being used by some local authorities as a justification to rationalise services and perhaps cut funding from independent advice agencies. UWE fieldwork with older homeless people and older private tenants indicates that statutory agencies sometimes prevent older people successfully accessing benefits, housing and other services. There are a number of reasons for this, including poorly trained or temporary staff, privatised benefits administration, lack of housing or other resources and older people's willingness to accept refusal because of language issues, unassertiveness, ignorance or frailty.

## 2 Benefits issues from the evaluation of the hact, Help the Aged and Crisis Older Homelessness Partnership Programme

### 2.1 Introduction

A major theme for most projects in the evaluation has been the wide range of problems caused by the benefits system. Whether the project was working with older entrenched street homeless people or with settled older people at risk of homelessness or indeed anyone in between, benefits difficulties were often at the least a contributory factor and in some cases the main factor in propelling older people into homelessness. Without addressing these issues, other policy initiatives to prevent or remedy older homelessness are at risk of failure.

A recurring theme from project staff was that whilst central government was attempting to ameliorate the plight of homeless people, it was actually exacerbating their position through some of its benefits policies. There have been a number of examples of this over recent years, although the biggest single issue has been the verification framework imposed for Housing and Council Tax Benefit administration, as discussed in more detail below.

A more general problem is the assumption, implicit throughout the benefits system, that claimants should 'manage' the process themselves. Despite talk of 'joined-up thinking' and the need for a 'seamless service', the benefits system is anything but joined up and seamless; even expert advisers find it complex and confusing.

Problems with benefits, especially the low take-up of means-tested benefits amongst older people, are widely known. Settled, stable older people may live in poverty and poor conditions but most will at least remain housed. What this research shows is that the more vulnerable older people are, the less likely they are to adequately negotiate the system. This vulnerability can have different causes: poor literacy, dementia, learning difficulties, mental health issues, alcohol use or just lack of confidence and ability to cope and fight, which may come with increased age or following a distressing life event such as bereavement.

Staff reported that many older people, even those who are quite able, are worried about admitting, even to advice agencies or relatives, that they are finding it hard to understand forms or manage their income because they are afraid of being thought senile and 'put in a home'. The other problem which impacts especially on older people is the likelihood that, because of age and/or disability,

they will be entitled to a combination of benefits that interact with each other, adding to the complexity of 'managing' the process, as discussed below.

Failure to negotiate and 'manage' the system successfully is then 'punished' by reduction or loss of entitlement and therefore income. Failure to claim or (more often in this research) the loss of existing benefits can then lead to eviction from existing housing for those who are housed or abandonment of the tenancy (especially for people who have been resettled following previous homelessness).

Benefits issues also affect the ability of older people who are homeless to access accommodation, causing them to remain on the streets or trapping them in emergency hostels and night shelters. Although the government has started to address this issue by allowing Housing Benefit payments for new hostel residents prior to them making a claim and proving identity (DETR 1999a p.22), reports from staff suggest that this is of limited use and does not assist those older people who refuse to claim at all.

Although it is tempting to call for widespread reform of the benefits system, the reality is that this is unlikely. However, modest changes to benefits rules, administration and liaison, combined with easier access to advice services, could have a significant impact on older homeless people and protect others from the risk of homelessness.

The next section (2.2) describes a number of case studies collected by projects during the evaluation, which illustrate the types of problems experienced by older people and dealt with by staff. A few details have been changed to protect anonymity. Sections 2.3 to 2.5 explore two areas of the benefits system, namely:

- Housing Benefit/Council Tax Benefit; and
- other means-tested and contributory benefits, especially Incapacity Benefit, Retirement Pension, Income Support and the Minimum Income Guarantee, Disability Living Allowance and Attendance Allowance.

## 2.2 Managing (or not managing) the system: problems experienced by older people and agencies helping them

The following short case studies, drawn from the work of Partnership projects, illustrate the range of problems created by the interplay of the benefits and housing systems, both for people who were securely housed and for those who had been homeless. Intervention by specialist workers in homelessness and advice agencies (funded by the Partnership Programme) was necessary to support older people in dealing with 'officialdom'.

### i) Poor communication and joint working

Mr and Mrs T, in their 60s, had to move out of their council flat temporarily whilst major repairs were undertaken which rendered the flat uninhabitable for four months. They turned down the temporary accommodation offered and went to stay with relatives instead. Mr and Mrs T did not inform the Housing Benefit office that they were moving out, not surprisingly assuming that their absence (at the council's request) would not affect their claim. When the Housing Benefit office found out they had moved, they stopped payments, causing the rent account to go into arrears. During their absence, they also renewed their claim for Housing Benefit but the office lost the claim. On returning to their flat, they were amazed to receive arrears letters for non-payment of rent.

The housing office agreed not to issue court proceedings and Housing Benefit was reinstated but they still pursued the arrears accrued during Mr and Mrs T's absence. The case was referred to the older people's worker, as housing staff could not resolve it themselves with the privatised Housing Benefit office. The worker applied on behalf of Mr and Mrs T for backdating of Housing Benefit to cover the period of absence and eventually this was granted.

Miss S, in her 80s, agreed to move into sheltered housing under an incentive scheme run by her local council to free up larger properties for families. Six months later, she was referred to the older people's worker by her Social Services care manager because of a problem with her Housing Benefit: no rent had been paid since her move so she was in serious rent arrears. There was evidence that Miss S was unable to manage her own affairs because Social Services were in the process of asking a relative to take on power of attorney. However, they had assumed that the housing office would be dealing with the Housing Benefit claim as Miss S had been receiving Housing Benefit in her previous tenancy. When the worker claimed Housing Benefit on Miss S's behalf, it was discovered that Housing Benefit was still being paid for her previous address because no one had informed the Housing Benefit office that she had moved. With the worker's help the situation was resolved.

Mr R, in his 70s, had suffered a stroke and had speech difficulties; housing staff found it difficult to communicate with him. The housing office referred him to the specialist worker because of rent arrears of £6,500. The worker established a good relationship with Mr R, who agreed that the worker should claim Housing Benefit on his behalf. For this the worker needed financial information.

After a second visit, the worker referred Mr R to Social Services for an assessment because he was very confused about his income and savings although he managed on a day-to-day basis and his flat was well cared for. Until then there had been no Social Services involvement. On a subsequent visit, the worker discovered piles of unopened letters, including one giving 24 hours' notice of a bailiff's visit to remove property because of unpaid Council Tax. The worker then ascertained that Mr R was receiving Retirement Pension at a level that meant he would not be eligible for Income Support, although he may have had some entitlement to Housing Benefit (and possibly Council Tax Benefit). The worker also discovered that Mr R had a sister who had tried to help over the years but he had always refused. The worker asked the housing and Council Tax offices to hold off any further action and handed the case over to Social Services who were now fully engaged with Mr R following the worker's referral.

The above cases illustrate the problems caused by poor communication and lack of effective joint working between statutory agencies, even when they are in the same authority (housing, Social Services, Council Tax) or privatised parts of the same authority (housing management co-op, privatised Housing Benefit administration), and by difficulties in managing bills.

## ii) Making mistakes with benefit claims

Mr A, in his 70s and formerly homeless, lived in a bedsit in a house in multiple occupation. His landlord asked him to move from one room to another where the rent and facilities were identical.

When Mr A renewed his Housing Benefit claim six months later, the form asked him to indicate the location of his room, so Housing Benefit staff noticed the change. Even though it made no difference to the rent (and therefore Housing Benefit entitlement), the Housing Benefit office reclaimed an 'overpayment' of hundreds of pounds (the total Housing Benefit paid for the previous six months) because he had not notified them of his move. The Partnership-funded homeless day centre staff discovered this because Mr A was finding it impossible to manage on his reduced income. When they investigated, they discovered that Mr A had already appealed with the help of another agency but had lost, so there was no more the day centre staff could do.

This is typical of how older people can suffer for making a mistake that is treated as fraud.

### iii) Role of specialist workers

Mr Y, in his 70s, approached the housing advice agency because his private landlord had given him notice to quit. The older people's adviser also discovered that he had claimed Housing Benefit previously but that his claim had not been processed because his landlord refused to issue a rent book, although he was legally entitled to one as he had a weekly tenancy. Mr Y had avoided arrears only by borrowing money from friends but could not carry on doing so. After the worker intervened, the landlord provided a proper rent book but the Housing Benefit office refused to pay because it required a letter from the landlord confirming the information in the rent book, which the landlord refused to provide (as he was entitled to do). The Housing Benefit office used the verification framework to justify refusing to pay, although the statutory 14-day notice period had expired some months earlier.

Because the worker knew that the Housing Benefit office was acting illegally, a solicitor was contacted and judicial review proceedings instigated. Soon after proceedings commenced, the Housing Benefit department agreed to pay and Mr Y received over £2,000 in backdated Housing Benefit. Mr Y eventually left his private accommodation and moved into sheltered housing with the help of the specialist worker.

This case shows how, without the intervention of specialist workers and the threat of legal action, older people can be denied benefits to which they are entitled. Specialist workers were also helping older people with other types of benefit tangle.

Mr Z, in his 60s and formerly street homeless, had been successfully resettled and supported for over a year by a homeless day centre. He approached the specialist older people's worker in a state of shock and very anxious, having received a summons for non-payment of Council Tax. The formal wording threatened further costs and gave little information about sources of help. The day centre worker checked with the Housing Benefit/Council Tax Benefit office and, as she thought, Mr Z was entitled to full Council Tax Benefit as he was receiving Income Support; the only problem was the delay in processing the claim by the privatised Housing Benefit/Council Tax Benefit service. The day centre worker was amazed to find that Mr Z still had to attend court and had incurred court costs, so to support him they went together. If he had not attended he would have incurred further costs. They had to queue to see council staff outside the courtroom. The council staff said they, like most attendees at court that day, did not need to appear in court as their attendance was due to Council Tax Benefit processing delays. The researcher also visited the court to ascertain the situation.

The court confirmed that this happened every week, especially with two South London councils. Court staff explained that the law allowed the council to issue a summons for Council Tax arrears even if they knew the cause was Council Tax Benefit processing delays and, once the summons was issued, court attendance was mandatory (Local Government and Finance Act 1992, Pt VIII s.6 and Council Tax [Administration and Enforcement] Regulations 1992, para. 34). The court provided space to council staff to check the situation with people just outside the courtroom to help ease the process. The housing press has since reported that the council concerned has taken its benefits administration back in-house from the private contractor, following a spate of ombudsman cases and evictions caused by delays (*Inside Housing* 2001–2002).

Ms F, in her 90s, is a housing association tenant. She contacted a specialist adviser after meeting the worker at her old people's day centre. She had renewed her Housing Benefit claim in good time but three months later it had still not been processed. Like many older people, Ms F was determined never to be in debt, so she was paying full rent out of her pension, leaving only £27 per week to live on. She knew she could not keep this up and said she often cried out of fear of what was going to happen. The worker contacted the housing association and negotiated for Ms F to run up arrears pending payment of Housing Benefit (although she did not use this facility). The worker contacted the local authority to expedite the Housing Benefit payment, which was eventually paid some weeks later.

These are examples of the types of situation in which, without support from a specialist worker, older people suffer distress and, if vulnerable or formerly homeless, sometimes abandon their tenancies and return to the streets or to insecure housing such as a friend's floor. Agencies reported similar problems with some landlords (both private and social) issuing notices to quit/seeking possession because of Housing Benefit processing delays. As with Council Tax Benefit, this incurs court costs and causes distress and potential homelessness. Agency staff have to chase up Housing Benefit and liaise and advocate with the landlord to prevent further action.

Housing Benefit and Council Tax Benefit are a problem for everyone, but older people are especially at risk. There are a number of reasons for this. Being in rent arrears is a source of shame and can cause great anxiety to a generation brought up not to get into debt. As discussed below, the interplay between Housing Benefit/Council Tax Benefit and other means-tested and contributory benefits adds to the confusion.

Difficulties with Housing Benefit can and do lead to homelessness. Tenants, especially those living in private rented housing, are actually at risk of eviction (see detailed discussion in Carlton et al 2002). Increasingly those in social rented housing, are being affected as well. Anxiety about benefits and arrears problems is a factor leading to abandonment. This usually results in 'former tenant arrears' of rent on the abandoned property, which are then a barrier to accessing social housing in the future.

The application procedure and documentary evidence required under the verification framework makes the system inaccessible to many older people. There is a particular problem with the need to re-apply for Housing Benefit each year; if you do not re-apply (or your form gets lost) then benefit is stopped and the first thing the tenant knows about it is often an arrears letter.

Good practice in housing management would expect that a housing officer would help people to claim and to renew their claim but fieldwork for this research showed that staff cutbacks meant that this common-sense solution often did not happen. There were particular problems where Housing Benefit administration was privatised and where local authority housing was managed by a third party (for example a tenant management co-operative). There was pressure on the management co-op to maximise rental income because they had to pay the local authority landlord the full rent, so even if arrears were due to Housing Benefit problems they still sent out arrears letters, which distressed older tenants. It made no difference that the local authority was both the landlord and the organisation that had privatised its Housing Benefit administration. Wherever there are problems with Housing Benefit administration, the same difficulties arise, with both housing associations (especially the more aggressive, business-oriented organisations) and local authorities. This is not surprising, given that rent collection and arrears levels are prime performance indicators.

The need to re-apply each year for Housing Benefit/Council Tax Benefit is a particular problem because this is not the case for other means-tested benefits, which run on from year to year.

The Audit Commission has also made this point and the government has recently announced that from mid-2003, pensioners will be awarded Housing Benefit/Council Tax Benefit for a period of five years.

Older people interviewed thought it was stupid to have to re-apply each year when their circumstances had not changed:

*'Look at all the paperwork, the money they'd save not doing all that every year, they know who you are, where you're living, if there's any changes... well, there isn't any.'*

Some local authorities had introduced a simpler renewal form but anti-fraud measures stopped such common-sense approaches. If someone forgets to re-apply or the form goes astray, it is extremely difficult to get the claim backdated, even with the involvement of an advice agency. This is at least partly because local authorities used to get backdated benefit reimbursed from central government. However some years ago, limits were imposed so most of the cost of backdating falls on the local authority.

### 2.3 Reclaiming overpayments

Older people and advice staff reported problems with rules on reclaiming overpayments of Housing Benefit, which also linked to the lack of information they received from benefits administration. Overpayments (alleged and actual) can arise for a number of reasons, the most common being changes in circumstances such as the tenant receiving an extra or increased income. They can also arise because of mistakes by benefits staff: the fieldwork revealed some serious and unacceptable 'mistakes', including such fundamental errors as counting Disability Living Allowance/Attendance Allowance as income when it should be ignored for means-tested benefits.

One project reported a client being threatened with eviction for arrears because her Housing Benefit had been cancelled. She was also sent a demand for over £2,200 repayment of 'overpaid' Housing Benefit and accused of fraud by failing to notify an increase in income of £37 per week. When the worker investigated it turned out that the £37 was Attendance Allowance. When challenged, the Housing Benefit department backed down.

Some overpayments are caused by actual fraud, although with older people it seems likely that most are caused by failure to understand the complexities of the benefits system or simply forgetting something.

Advisers reported dreadful cases of tenants receiving lots of incomprehensible computer-generated letters demanding repayments, sometimes going back years, often because of misunderstandings or oversights: this caused great anxiety to the older people. The wording was often blunt: 'You owe us £\_\_\_\_, we have reduced your benefit by £\_\_\_\_.' One client had received an envelope of such computer-generated letters an inch thick, saying she owed a total of £9,000. She already knew the advice agency from previous contact and told them: 'I'm so frightened, I've got to see you because I've got no one else I can go to...'.

Another older man who was visited produced neatly filed envelopes full of letters and forms but he had needed the help of an adviser to work it all out because he had been accused of being in rent arrears: 'There's too much paperwork these days, all the forms seem to pile up... They don't do nothing, just send you a bill saying you've missed a week's rent...'.

## 2.4 Privatised benefits administration

Benefits administration has been privatised by a number of local authorities across the country, resulting in complaints to MPs and the ombudsman. Some local authorities have ended their contracts, although this can be time-consuming and expensive. The Audit Commission acknowledges that: 'Benefits outsourcing has not been a shining success story to date' (Clackett 2002) and its latest report stresses that if privatised services are considered, local authorities 'need to review carefully how they would manage the contractor and what level of customer care the contractor can demonstrate' (Audit Commission 2002). Over the past year or two, a number of local authorities have terminated their contracts with outside contractors following problems (*Inside Housing* 2001–2002).

However, there are also significant problems with council-run benefits administration in some areas: it is not a simple case of 'council good, private bad' or vice versa. There seem to be particular problems where staff recruitment and retention is difficult (eg London) and where poorly trained or temporary staff cannot cope with the complexity of the system and make too many errors. The anti-fraud culture is also likely to influence staff attitudes to clients, including towards older people who may simply have made a mistake.

One project in the Partnership Programme focused exclusively on Housing Benefit-related problems in the London Borough of Westminster, where there is a privatised benefits system. Other projects (especially in south London but also in Nottingham) also experienced considerable problems with both privatised and council-run benefits administration.

Information from a recent study of older people in the private rented sector also confirmed that privatised benefits administration has caused particular problems and led to homelessness amongst some older private tenants (Carlton et al 2002).

## 2.5 The interplay of benefits

As referred to above, older people are more likely to be entitled to a combination of benefits because of age and/or disability. There will also be changes to their entitlement when they reach milestones such as state retirement age or following changes in circumstances such as the death of a spouse or going in and out of hospital. Entitlement to Income Support is especially important because it acts as a passport to other benefits and losing entitlement to Income Support will lead to an automatic suspension of Housing Benefit.

Another example of this interplay concerns Disability Living Allowance (for those under state pension age). There is a system of random review of Disability Living Allowance claims and the fieldwork revealed a number of cases where Disability Living Allowance was withdrawn. The most common reason for this is if a professional who does not know the claimant well (eg a GP) replies inappropriately to enquiries, especially in cases concerning mental health or alcohol. Losing the middle rate care component of Disability Living Allowance will trigger a significant reduction in income (typically halving it) because of the consequent loss of the Income Support disability premium. Even though a high proportion of cases that are appealed are overturned, this takes many months and the loss of income in the meantime will, in some cases, lead to rent arrears and eviction or abandonment. For older people not familiar with sources of advice or reluctant to challenge authority, they are unlikely even to appeal.

Another problem area was the transfer from other benefits to Retirement Pension. There is no automatic transfer, even for people receiving other benefits such as Incapacity Benefit: Retirement Pension has to be claimed within strict timeframes, otherwise income is lost. For street homeless people and others who have led an unsettled lifestyle, claiming Retirement Pension can be problematic because of a lack of documents such as a birth certificate to prove age. Outreach and day centre staff working with older homeless people reported the need to assist their clients in proving identity to claim Retirement Pension.

A number of staff commented on two problems faced by older people receiving Incapacity Benefit or Retirement Pension, both of which affected their prospects of successful resettlement and tenancy sustainment. The first is that because these benefits may take people above the income threshold for Income Support, they then lose any eligibility to Community Care Grants. This means that when they are resettled, they cannot furnish and equip their new home without the help of charities and voluntary sector furniture stores. Some older homeless people also commented on this, most of whom had worked and paid National Insurance when younger. They felt especially bitter when they saw younger homeless people who had never worked getting grants of hundreds of pounds whilst they had to rely on what they perceived as demeaning charity.

The second issue concerns direct payments for utilities bills. If older people are receiving Retirement Pension or Incapacity Benefit and little or no Income Support top-up, it makes it difficult or impossible for agencies to arrange direct payments.

Budgeting and managing utility bills is a major problem for many formerly homeless people of all ages, but the Retirement Pension/Incapacity Benefit problem mainly concerns older people. Arranging direct payment of utility bills is often the best solution, especially for people with a history of gambling, alcohol or other addictive behaviour and for those affected by confusion or memory loss but this can be done only from Income Support, not from other benefits. Whilst a few agencies will take on a broader money management role for a few of their older clients with complex needs (as discussed below), 'fuel direct' payments are a much simpler solution for the majority.

There are two further issues linked to utility bills. The first is whether the person has to have accrued arrears before they can go on to direct payments or whether this can be introduced at the outset if the client is willing and the agency can set it in motion: practice appears to vary across the country. It is recommended that if a specialist agency proposes this solution with the agreement of their client, it should always be agreed by benefits administrators. If this is linked to the fixed-price fuel packages now offered by some energy suppliers, the management of fuel bills is made much easier and debt and cut-offs avoided. Not only is this important for health and well-being, it is also a measure to prevent recurring homelessness: fuel poverty and supplies being cut off can be another trigger leading to abandoned tenancies and returning to hostels, shelters or the streets.

In addition to the specific points made about benefits, there is a broader problem around benefits claims, money management and related financial issues. Specialist project staff found that there is a real gap in service provision in that it is not easy to find anyone to help an older person with money management, although

such help is often needed, sometimes long-term, for a variety of reasons including memory loss, addictive behaviour or learning difficulties or simply the problems caused by coping following bereavement when the other partner looked after these aspects of the couple's life. For settled older people, family members often undertake such a role but family help can be rejected (as by Mr R above). More frequently in the research, family ties were fractured or (for single people especially), they had no family.

The benefits system does allow someone to act as 'appointee' (ie taking responsibility for the benefits claim in its entirety) or as 'agent' (ie fetching money on someone's behalf) for social security benefits, but there is no such formal provision for Housing Benefit or Council Tax Benefit. Although some councils do offer the option of giving someone else's name as a contact on their claim forms, others will not deal with a third party. Outreach agencies and day centres were occasionally willing to act as appointee for social security benefits but were generally reluctant to do so, not least because of the financial responsibility. Other agencies with which the specialist workers liaised sometimes offered this service. For example, the Joint Homeless Team (working on the streets in London) was appointee for some of the Thames Reach Bondway outreach worker's clients, including a man aged 74 who had slept rough for over 15 years.

The other financial problem raised by a number of projects concerned access to financial services and minimising the risk of financial abuse. Project staff sometimes accompanied clients to the Post Office to collect their benefits to avoid the risk of them being robbed on their way home, and day centres and street outreach projects held money for some clients.

An alternative, used by some projects, was to develop links with local banks so that benefits could be paid direct into a bank account and collected at irregular intervals, rather than the normal practice of cashing benefits the same day each week at the Post Office. Because of the rules on money laundering, older homeless people have the same problems opening bank accounts as claiming benefits (ie they need identification and an address) so such partnerships are extremely useful. One day centre was also able to access a client's occupational pension, which he had been unable to draw without a bank account.

Another project expressed particular concern about the behaviour of a local licensed 'corner shop', which held the benefits books of some older people (especially drinkers). By handing the pension book over, they were able to access alcohol whenever they wanted. The shopkeeper provided the alcohol at an inflated price or charged £5-£10 a week for the service. They either accompanied the older person to the Post Office to cash it or reminded them of the consequences if they did not return with the money and the book. Although the police are aware of the problem, they are powerless unless individuals complain. It also makes any work around addressing behaviour or basic budgeting almost impossible.

### 3 Additional benefits issues for older people in the private rented sector

#### 3.1 Introduction

As well as all the problems discussed in Section 2 above, there are particular problems that affect older people in the private rented sector, many of whom have previously been homeless, and/or are at risk of homelessness.

Housing Benefit is a problem for all tenants of all ages in all tenures, but older private tenants are the ones who suffer most because of both their age and their fear of arrears and eviction. Being in rent arrears is shameful to a generation brought up not to get into debt and it causes enormous worry, anxiety and real damage to physical and mental health. It also puts tenants at actual risk of eviction, especially those tenants with assured shorthold tenancies.

#### 3.2 Problems with the verification framework

Measures introduced by central government to combat fraud were widely considered to have made the situation much worse. The verification framework requires that benefits administration sees 'original documents' (eg savings or income details, rent details) and confirms other aspects of the claim (including that claimants are in fact living at the address for which they are claiming). As in 2.2 (iii) above (Mr Y's case), this can cause enormous problems. Fieldwork for both the older homeless and the older private tenant research projects uncovered many examples of problems for both private and social housing tenants, as well as for homeless older people:

- Street homeless older people and shelter/hostel residents who had lost their documentation because of their unsettled lifestyle – specialist workers spent a lot of time assisting these people with claims. One man in a shelter told researchers: 'I've had so much bother with not having proof of my identity.... I had to get another birth certificate, it was £6.50 and bus fares...'. Other street homeless older people were reported to have refused to claim at all because of issues over proving identity.

- Settled older people who had sent original documents to the Housing Benefit office which had then been lost internally or the office denied receiving them – specialist staff often had to deliver documents, especially for people with limited mobility or who could not be relied upon to do so themselves (eg because of forgetfulness, mental ill-health or alcohol issues). Agencies wanted to be able to supply certified copies of documents.
- Older tenants who had lost benefits because they were presumed not to be living at the address – one landlord complained that when the Housing Benefit officer visited his older tenant who was an alcoholic, his benefit was stopped. The decision was made because the tenant was considered to be ‘not in residence’ because he spent most of his time on a park bench with his acquaintances.

Agency staff in one case study area cited a number of similar problems. The staff explained that there was no guidance on how to interpret Housing Benefit regulations concerning such matters as residency at an address, although officers did have to justify their decision to stop the benefit if they were challenged. The problem is that vulnerable older people often do not know how to make such a challenge.

### 3.3 Other difficulties in claiming Housing Benefit for older private tenants

Fieldwork interviews with older people in the private rented sector uncovered a number of Housing Benefit problems. A former assured shorthold tenant had moved from her bedsit rented flat in a large mansion block into council sheltered housing because of rent increases that Housing Benefit only partially covered:

‘I’d like to have stayed there if I could, the trouble was the rent. I was happy, it was convenient, near the station, the shops, I felt safe but if he gave me a month’s notice where would I go? I asked about the council list, they said no, there’s lots of people waiting.’

Another assured shorthold tenant was still in his tenancy but felt insecure:

‘My landlord, I’ve got to know him so well and he’s known as a very unpleasant man but he reckons I’m the best tenant he’s got and every time it comes to throwing me out I fight and he lets me stay. I’m still there but I think my days are numbered because the council are reluctant to pay the increased rent. The trouble is every time the landlord puts the rent up, he says: “Well, we’ve gone to all the estate agents in your area and we have ascertained that the going rate for your flat is £\_\_\_.” So the rent officer comes round and you know he’s got to work within certain parameters. If he reckons that the rent your landlord is asking is reasonable and you can’t afford it you’ve got nowhere to go. If I can’t afford the next time he puts it up, I’m out on the street. I’m on a yearly shorthold tenancy and if I can’t pay he can evict me. This is happening every year, it sends you round the bend. He would never have let me have the flat in the first place if he’d known I was DSS but I managed for the first few months without claiming.’

Problems with Housing Benefit occurred for both Rent Act regulated and shorthold tenants, especially overpayments, as discussed further in 3.4 below and as illustrated by the following assured shorthold tenant:

‘I lost all my benefits and had to start from scratch, I went to [legal advice agency] and they fought on my behalf and I got the £1,900 [Housing Benefit overpayment]

completely squashed because legally they [Housing Benefit] couldn't blame me for it so if I hadn't gone to...[advice agency] I'd have been in terrible trouble.'

And by the following regulated tenant:

'I had the letter from the council and they said I owed them £8,000. £8,000! Oh my goodness, I was shaking. I tell you straight, I cannot fill in the form, every time I get it I go down to the council and put everything on the desk and the questions they ask I give them answer, I put everything what I have, bank statements, everything, they have it there. I am honest, I count every penny. I don't make the mistake, they make the mistake but I will have to pay them back. Mind you, I've been on the breadline now and I had to pay them back but it hurts me.'

### 3.4 Delays caused by processing claims

Severe delay in Housing Benefit payment causes a major problem in tenant-landlord relationships. Despite the national regulation that all new claims should be assessed within 28 days from the date of application, in some areas applicants have waited up to 12 months, although well-organised offices are able to process an application within the guideline of 28 days. As a result of delay, some tenants may receive threatening letters from their landlord. It also causes concern to tenants:

'For a long time, five or six months, they [Housing Benefit office] did not pay any rent to my landlord. I went to see my councillor, she could not understand why it took so long because there was no change in my circumstances.... Because he [landlord] is not getting his rent, even if I have a problem, I hesitate to tell him. I've paid for things myself like mending the storage heater. I've spent over £200 of my own money...I'm worried the landlord will get fed up and evict me.'

Benefits staff were reported to use administrative devices to help meet their targets and get round the time limits, which only start to run once all the relevant information is received. The verification framework is a major reason for the delay. Applicants must submit all the necessary documents and photocopies are no longer accepted, even if certified by another agency as a true copy: benefits staff have to see the originals. Documents may be lost in the process, causing distress to older tenants and delays to claims being paid.

### 3.5 Other problems for private tenants

Many landlords now require deposits and rent in advance, thus cutting out Housing Benefit claimants, especially in areas with booming housing markets. Landlords who are prepared to house benefit claimants experience serious difficulties with the system. Such delay in payment is problematic in itself but there is also no guarantee that the tenant's application will be successful.

There is also a group of problems caused to older (and indeed younger) tenants because Housing Benefit does not always cover the full rent. As a means-tested benefit, the tenant's income may be too high for 100 per cent entitlement to Housing Benefit. This can be a particular problem for older people who have some savings and/or a small occupational pension but there are three other reasons, all of which will leave the tenant paying a top-up out of their limited incomes, namely:

- the system of 'reference rents';
- non-eligible service charges; and
- 'over-occupation'.

Each of these will now be considered in turn.

### i) Unrealistic 'reference rents'

Research respondents in voluntary and statutory agencies and landlords and their agents expressed concern about the relationship between the Rent Service and Housing Benefit. The Rent Service is an executive agency of the ODPM. It has two main roles: setting 'fair rents' for regulated tenancies (and pre-1987 housing association tenancies) which can be reviewed every two years, and setting 'reference rents' for Housing Benefit for assured shorthold tenants and also for people with no tenancy, just a licence.

Until 1996, a private sector rent could be restricted for the calculation of Housing Benefit only if it was above the market level for that particular dwelling, if the accommodation was deemed to be too large (so under-occupied) or if it was considered exceptionally expensive for the claimant to occupy. In 1996, concern about exploding Housing Benefit expenditure resulted in the introduction of two additional restrictions: the local 'reference rent' (for tenants of all ages) and the 'single room restriction' (which applies only to young single people under 25). The local 'reference rent' is the average market rent for dwellings of a particular size in the locality and becomes the ceiling for the rent on which Housing Benefit is calculated.

Agencies and landlords in most case study areas reported that the statutory procedure used in assessing 'reference rents' for Housing Benefit limits produces unrealistic rent levels. The localities were reported to cover too wide an area. Older people can be especially affected if they live in areas that are convenient for them but where rents are above the average for the broad locality (for example near the seafront in the south coast town that was one of the research case study areas).

Since 'reference rents' are often lower than market rents, tenants usually end up paying a top-up out of their limited income. This is especially problematic in areas with rising rent levels, such as this particular south coast town and London borough.

In one case study where the Housing Benefit system was administered relatively efficiently by the local authority, an officer explained her frustration in relation to the Rent Service since she did not feel that 'reference rents' reflected true market rents or were realistic:

*'Rent Officers rarely visit properties, so how do they know about the market values? That is why when they do visit, the agreed payment is almost always increased.'*

Local authorities have very limited discretion to pay Housing Benefit above the 'reference rent' level and it is usually cash limited. In one case study area, the local authority had an annual allocation for discretionary payments of just under £200,000. In two months in 2001, they had over 130 applications. If such an application is successful, it is a continuing commitment from year to year.

The system takes no account of the condition of the property when assessing the 'reference rent'. It militates against landlords letting better quality properties, since they get the same rent from a poor quality property as they would from a well-maintained one. Both landlords and agency staff complained that there was no incentive for 'good landlords', a point also made in recent research on the private rented sector (Rugg and Rhodes 2002, Shelter 2002).

## ii) Service charges

Housing Benefit does not cover food or non-eligible services such as heating or hot water, which are sometimes included in the rent (usually in bed and breakfast or bedsit accommodation). The DWP sets national rates for non-eligible items such as food and heating but these have remained the same for many years. Some landlords overcharge their tenants on services. It is not unusual for landlords to charge between £10 and £15 a week on top of rents to cover heating and hot water for shared housing.

However, some tenants actually preferred this arrangement of 'inclusive rents', despite the fact that they were often overcharged. It is advantageous for those tenants who lack the skills to manage their everyday lives, as it removes the responsibility for handling bills. This was especially the case for older men, often with alcohol issues, who were living in poor quality shared housing at the 'bottom end' of the private rented sector, as is discussed in detail in Carlton et al 2002.

## iii) Under-occupation

Another problem with Housing Benefit is the effect of regulations concerning under-occupation. If someone is considered to have more rooms than they need, their Housing Benefit will be limited to the 'reference rent' for the number of rooms that they are considered to need. This rule creates a problem in places such as the northern town case study area, where small two-bedroom terraced houses are the predominant types of property available for rent and there are hardly any one-bedroom flats. A single person or even a couple can be considered to be over-housed, so their rent is not covered in full. Yet for many older people, the idea of having to share housing is unlikely to be acceptable.

The system is not flexible enough to allow discretion because of the local housing market.

This rule applies both in the private rented sector and housing associations, although it may be less rigorously enforced for housing associations. It applies to the number of rooms rather than other measures of space such as floor areas. Thus it encourages landlords of HMOs to maximise income by further sub-dividing large rooms to cram more people in or even, in extreme cases, by having two to four people in a room. For example, a notorious local landlord in one case study area had several small two- and three-bedroom houses, housing two to four people per room (8 to 12 people per house). The tenants ranged in age from 17 to 70, male and female, and were all mixed in the same house and sharing all facilities. The tenants paid £40 per week each to the landlord, £30 from Housing Benefit and £10 top-up not covered by Housing Benefit. His properties were estimated to produce a gross income of £16,000 to £25,000 a year per property, 75 per cent of which was paid through Housing Benefit but the rest through other incomes of the tenants to cover the service charges. A house like this could be bought for less than £20,000, so 'bad' landlords were moving in and accelerating the decline of such areas, funded largely by Housing Benefit payments.

## 3.6 Reclaiming overpayments

Tenants, advice staff, landlords and their managing agents all reported problems with rules on reclaiming overpayments of Housing Benefit, which also linked to the lack of information they received from benefits administration. The entitlement to benefit lies with the tenant but tenants often like their benefit paid direct to the landlord. Many landlords prefer this, and some insist on it. However, if a landlord receives direct payment, s/he has to undertake to repay any overpayment.

Problems arise when the benefits administration demands repayment of an overpayment, perhaps many months or years later. Tenants often do not have the money to repay; for the landlord, it will probably result in a loss, as they are unlikely to be able to recover it from the tenant, who may even have left by then. This is another reason why 'good' landlords are reluctant to take people on benefits unless they are letting in an area where there is no one else. No doubt landlords would also argue that they are justified in charging higher rents to people on benefits if they are able to, to compensate them for such problems.

## 4 Reforming Housing Benefit: recent national research

Recent research on Housing Benefit for the Joseph Rowntree Foundation (Kemp, Wilcox and Rhodes 2002) across the whole of the private rented sector confirms these problems and discusses possible solutions. The study draws on previous Foundation research across all private sector tenancies (and all ages). In 1999, 70 per cent of cases referred to the Rent Officer had their Housing Benefit assessed on less than the full rent, so that the tenant had to make up the shortfall, risking financial hardship, rent arrears and eviction. On average, the rent used for the Housing Benefit calculation was £19 per week less than that charged by the landlord, with particular problems in high-rent areas, especially London (JRF 2002). The research proposes alternatives to the current system of rent restrictions, which would be more transparent, link better to other benefits/tax credits and remove what the authors describe as 'the hidden trip wires for Housing Benefit claimants' of the present system. However, they admit that the alternatives would cost more.

The authors also comment more generally on the relationship between other benefits/tax credits and Housing Benefit entitlement, pointing out that some improvements are now under consideration that should assist older people if they are introduced:

'The latest proposals for the Pension Credit acknowledge the importance of integration with Housing Benefit and of ensuring that entitlement to the new credit does not result in offsetting reduction in Housing Benefit. It also proposes to significantly ease the means-testing of modest savings, while retaining the administrative simplicity of the "tariff" used to calculate notional income from savings. There are, however, important unresolved details of the new scheme, particularly with respect to the treatment of earned incomes.' (JRF 2002)

### 4.1 Recommendations for changes to benefits

For older people, there are a number of specific reforms of the benefits system (including especially Housing and Council Tax Benefits but also other benefits) that would reduce the risk of homelessness.

The first action, which is so obvious as to be hardly worth stating, is that benefits should be calculated within the target timescale and that administrative devices should not be used to circumvent this. Yet this seems to be beyond the ability of some local authorities for Housing Benefit/Council Tax Benefit, despite numerous reports and Ombudsman cases. One step to achieve this with privatised services would be to rigorously enforce contracts and terminate a contract when it is unsatisfactory. However, some contracts are reported to be very weak when it comes to enforcement.

**Table 1: Proposed changes to Housing Benefit and Council Tax Benefit administration: applications and claim renewals**

- Producing a separate claim form for older people in plain English that is the same across the country (as with the Minimum Income Guarantee).
- Home visits to older claimants for completing forms and verifying documents (this already happens with benefits staff in some areas but why could it not be let out under contract to advice agencies?).
- Telephone completion of claims (already implemented as part of the Minimum Income Guarantee for older pensioners for Income Support claims: why not also for Housing Benefit and Council Tax Benefit?).
- Abolition of the need to re-apply every year for people over 60/65: why not grant benefit on a year-on-year basis or for three or five years for older people on Income Support (as for other benefits) with spot checks and links between benefits offices for automatic recalculation following annual increases in social security rates? (It has recently been announced that from 2003, pensioners will be awarded benefit for five years but the problem will remain for older people in their 50s and early 60s.)
- A marker on the computer system for older people to trigger action if Housing Benefit/Council Tax Benefit is not re-applied for; instead of just lapsing the claim. (This is relevant to prevention of homelessness as part of homelessness strategies: it could include an automatic notification to a relevant agency for them to try to make contact and a contract between the local authority and the agency to fund this work. Similar systems are already in place in some localities for social housing tenants.)
- Measures to overcome the confidentiality problems (with the tenant's agreement) so that advice agencies, housing associations and supported housing providers and (perhaps) accredited and approved private landlords could have direct contact with benefits administration.

There are also a number of specific recommendations to improve the administration and take-up of benefits.

As well as all these changes, where there are knock-on effects on the benefit reclaimable by local authorities from central government (especially on backdating), then central government needs to change its rules too.

**Table 2: Proposed changes to contributory and means-tested benefits**

- Clearer arrangements for the transfer from one benefit to another so that the onus is not on the claimant to manage the process but on the benefits administration to ensure a smooth transition (for example with the move from Incapacity Benefit to Retirement Pension, to facilitate older homeless people receiving Retirement Pension).
- Changes to the rules withdrawing benefits entitlement for short stays in hospital.
- Better liaison between the Disability Living Allowance/Attendance Allowance Blackpool office and local offices administering Income Support so that changes to Disability Living Allowance/Attendance Allowance do not adversely affect Income Support entitlement.
- Agreement for 'fuel direct' payments if recommended by a specialist agency and agreed by the client.
- Better liaison between statutory agencies and with voluntary agencies.
- Nominated older people's liaison officer at the Housing Benefit office and local benefits offices, who can be contacted by advice agencies (this already happens successfully in London to assist rough sleepers).
- Links between benefits offices for changes in circumstances (especially the main problem areas, which are stays in hospital and bereavement) so that older people receive help to maintain their full entitlement to benefits during times of stress, instead of the present system, which expects them to manage the system to retain entitlement.

**Table 3: Proposed changes to Housing Benefit administration and overpayment regulations**

- A change to the system so that for older people in particular, Housing Benefit/Council Tax Benefit entitlement does not stop when they go into hospital (also recommended by Age Concern England and Age Concern London 2001).
- Allowing advice/older people's agencies or council offices (eg housing offices) to verify documents and pass them on to Housing Benefit/Council Tax Benefit administration (this happens in some local authorities but not in others and appears not to happen especially where benefits administration is privatised).
- Some discretion for benefits administration and guidance stating that a presumption of innocence must be used, especially for backdating and in cases where there is no fraud or even change in benefit payable (eg withdrawing benefit where someone has moved rooms within the same house and at the same rent).
- Reform of the rules on repaying overpayments.

**Table 4: Changes to assist older private tenants**

- National leaflet to be sent out by the Rent Service with rent registration documents informing regulated tenants that they should consider claiming Housing Benefit if they are concerned about a rent increase and seeking advice, to include the Shelter national phone line, combined with a local leaflet for each Rent Service area giving names and contact details of local advice agencies.
- Reform of the 'reference rent' system and the rules on over-occupation.

## 5 About the author

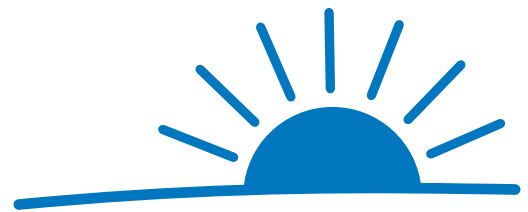
This briefing paper was commissioned by Help the Aged and the UK Coalition on Older Homelessness from Jenny Pannell, a freelance researcher and Visiting Research Fellow at the Faculty of Social Care, UWE, Bristol. This briefing paper expands on the two chapters on benefits Jenny Pannell wrote for the older homelessness and older private tenants reports. She can be contacted at Jenny.Pannell@uwe.ac.uk

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